



DATE ISSUED: June 15, 2005

REPORT NO. CCDC-05-22
SEDC-05-007

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of June 21, 2005

SUBJECT: Approval of the Third Amendment to the Agreement for Legal
Services between the Redevelopment Agency of the City of San
Diego and Kane, Ballmer & Berkman

REFERENCE: Approval of FY 04-05 Budget for the Redevelopment Agency of the
City of San Diego - June 15, 2004

STAFF CONTACT: Peter J. Hall, President - CCDC
Carolyn Y. Smith, President - SEDC

SUMMARY

Issue - Should the Redevelopment Agency approve the proposed Third Amendment between the Redevelopment Agency of the City of San Diego and Kane, Ballmer & Berkman for Legal Services?

Staff Recommendation - That the Redevelopment Agency of the City of San Diego (Agency) approve the Third Amendment to the Agreement for Legal Services by and between the Agency and Kane, Ballmer & Berkman (Third Amendment), Special Agency Counsel for \$60,000 for the Southeastern Economic Development Corporation related work and \$150,000 for Centre City Development Corporation related work for a total Agency contract amount not to exceed \$2,322,860.

Centre City Development Corporation Recommendation - On May 25, 2005, the Corporation Board of Directors voted unanimously to recommend approval of the Third Amendment.

Centre City Advisory Committee (CCAC) Recommendation - None.

Other Recommendations - None.

Fiscal Impact - The funding for this Third Amendment was approved as a part of the Southeastern Economic Development Corporation's (SEDC) FY 04-05 budget and funds are available in the FY 04-05 Centre City and Horton Plaza Redevelopment Projects Budgets for legal services.

BACKGROUND

On December 3, 2001, the Agency authorized the Executive Director to execute a three-year agreement with KBB, Special Agency Counsel, for the provision of legal services to the Agency and its corporations for a total amount not to exceed \$1,500,000 (Agreement). The contract was allocated as follows: \$750,000 for the Centre City Development Corporation (CCDC), \$525,000 for the SEDC and \$250,000 for the Agency.

There have been two amendments to the original contract which included SEDC.

On September 2, 2003, the First Amendment to the Agreement was approved by the Agency for \$160,000 for SEDC redevelopment project areas.

DISCUSSION

The City Attorney's Office will shortly be issuing a new Request for Qualifications for special legal counsel services for the next three-year period. Because the selection process will take at least several months to complete, additional funding is requested for on-going legal services until the selection process is completed.

The following provides a summary of the financial status of the Agreement for CCDC related legal work:

Original Agreement (Corporation Share - December 2001)	\$750,000
First Year Funding	250,000
Second Year Funding	350,000
Third Year Funding	150,000
Paid to Date	(736,333)
Proposed Amendment	<u>150,000</u>
Amount Available Subsequent to the Proposed Amendment	<u>\$163,667</u>

Upon arrival of SEDC's portion of the proposed Third Amendment, the total contract amount for SEDC related work is \$857,860. This amendment provides the funding necessary to continue SEDC's implementation of projects located throughout the SEDC Area of Influence as approved in the FY 04-05 budget.

The Scope of Services includes legal assistance in the negotiation and preparation of development agreements, assistance with redevelopment plan adoptions and amendments, consultation on significant redevelopment matters and coordination with the City Attorney's office.

CONSULTANT FIRM

ROLE/FIRM	CONTACT	OWNED BY (Privately Owned)
Special Legal Counsel Kane Ballmer & Berkman	Murray Kane Glenn Wasserman Royce K. Jones	Murray Kane, Partner Glenn Wasserman, Partner Royce K. Jones, Partner Joseph W. Pannone, Partner Stephanie R. Scher, Partner June S. Ailin, Partner Susan Apy, Partner (Privately Owned)

There are no subconsultants associated with this Agreement.

EQUAL OPPORTUNITY

This action increases the funding for the third year of the agreement, therefore no equal opportunity outreach was done. KBB was selected after participating in a Request for Qualifications Process. KBB is not certified as a M/W/D/DVBE firm.

KBB submitted a Work Force Report on January 20, 2004, which indicates a total of 27 employees in their Los Angeles office, of which 15 are female, and 13 are members of an under-represented ethnic group.

- (2) African American Males
- (4) African American Females
- (2) Latinos
- (3) Latinas
- (1) Asian Female
- (1) American Indian Male

Per the City of San Diego, the Latino and Women categories reflects under-representations. However, the overall categories exceeds the goals, which would preclude the submission of an EEO Plan.

SUMMARY/CONCLUSION

This Third Amendment will allow SEDC and CCDC to continue implementation of redevelopment work plan through June 30, 2005. There is no conflict of interest known to us regarding any Agency or Corporation officer or employee regarding this agreement.

Approved by:

Approved by:

Carolyn Y. Smith,
President

Peter J. Hall,
President

Attachment(s): Third Amendment to the Agreement with Kane, Ballmer & Berkman
